

Before the
UNITED STATES COPYRIGHT OFFICE
LIBRARY OF CONGRESS
Washington, D.C.

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GENERAL COUNSEL
OF COPYRIGHT

In The Matter Of

Distribution of 1999, 2000 and 2001
Digital Audio Recording Royalty Funds

Docket No. 2002-6 CARP DD 99-01

**REPORT ON THE STATUS OF SETTLEMENT NEGOTIATIONS OF
BROADCAST MUSIC, INC., THE AMERICAN SOCIETY OF COMPOSERS,
AUTHORS & PUBLISHERS, SESAC, INC., THE HARRY FOX AGENCY, INC. AND
THE SONGWRITERS GUILD OF AMERICA AS SETTLING PARTIES**

Broadcast Music, Inc. ("BMI"), the American Society of Composers, Authors and Publishers ("ASCAP"), SESAC, Inc. ("SESAC") (collectively, the "Performing Rights Organizations"), The Harry Fox Agency, Inc. ("HFA") and The Songwriters Guild of America ("SGA") (the Performing Rights Organizations, HFA and SGA are, collectively, the "Settling Parties") hereby file their report on the status of settlement negotiations as directed by the Copyright Office (the "Office") in its Order dated October 21, 2002. Order in Docket No. 2002-6 DD 99-01 (October 21, 2002) (the "Order").

The Settling Parties are pleased to report that they have finalized settlements among themselves in the above-referenced proceeding. With respect to the Performing Rights Organizations, the settlement agreement extends, for each year, to both the Writers and Publishers Subfunds of the Musical Works Fund. With respect to the Performing Rights Organizations and HFA, the settlement agreement extends, for each year, to both the Writers and Publishers Subfunds

of the Musical Works Fund. With respect to the Performing Rights Organizations, HFA and SGA, the settlement agreement extends, for each year, to the Writers Subfund of the Musical Works Fund.

Pursuant to Section 251.45(a) of the Office regulations and the Order, the Settling Parties attempted to contact by letter each of the other claimants identified on the Office's lists of claimants who filed timely claims to royalty payments in either of the subfunds of the Musical Works Funds in 1999, 2000 and/or 2001. In particular, the Settling Parties have made ongoing efforts to initiate a dialogue with the only claimant besides the Settling Parties who filed a Notice of Intent to Participate in this proceeding, Alicia Carolyn Evelyn. Unfortunately, Ms. Evelyn has not indicated a willingness to settle her claim on any reasonable basis.

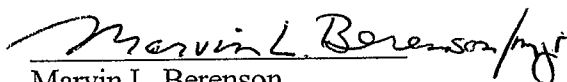
The Settling Parties have, however, settled controversies with all those claimants who responded to their letters but who did not file Notices of Intent to Participate (and are thus presumed not to be parties to this proceeding). Specifically, the Settling Parties have finalized or nearly finalized settlement agreements with:

- CMI (Publishers subfund: 2001);
- James Cannings (d/b/a Our Own Performance Society in 2000 and 2001 claims) (Writers and Publishers subfunds: 1999, 2000, and 2001);
- Jacobson & Colfin (representing That Boy Music, Small Wonders & K-Dope Music/Productions, Inc., Estate of Rufus Thomas, Vaneese Thomas, Israel Vibes, Inc., MAW Records, Peaceful Waters Music, Resound Music) (Writers and Publishers subfunds: 1999, 2000 and 2001); and
- Missing Link Music LLC (Publishers subfund: 2001).

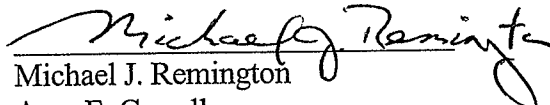
In sum, the Settling Parties have settled with all parties that filed claims and responded to their settlement inquiries, except for one individual, Alicia Carolyn Evelyn.¹ The Settling Parties have commenced preparation of their Direct Case on the basis that any late-filed Notices of Intent to Participate will be rejected as untimely and prejudicial.

Respectfully submitted,

BROADCAST MUSIC, INC.

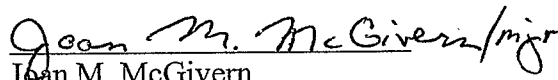


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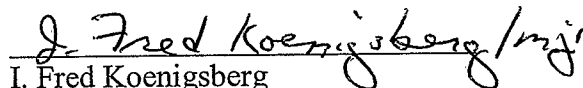


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¹ In view of the fact that Ms. Evelyn's claims have been adjudicated and found to be *de minimis* in two separate proceedings, the Settling Parties will separately address the issue of whether a material controversy in fact exists with respect to Ms. Evelyn's claims.

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December 2, 2002

CERTIFICATE OF SERVICE

I, Cynthia Queen, hereby certify that on this 2nd day of December, 2002, a copy of the foregoing Report on the Status of Settlement Negotiations of Broadcast Music, Inc., the American Society of Composers, Authors and Publishers, SESAC, Inc., The Harry Fox Agency, Inc. and The Songwriters Guild of America was served by first class mail, postage prepaid, to the following:

Alicia Carolyn Evelyn
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Cynthia Queen